Clearance of I.T. refund cases

205. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that some cases for refund of Income Tax under ITO Ward No. 12(1) Delhi/New Delhi for the assessment years 1995-97 have not yet been cleared up till now and the amount of refund is yet to be paid to those persons;

(b) if so, the details thereof and the action proposed to be taken by Government in this regard; and

(c) by when such cases likely to be cleared and the amount to be paid to those persons?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) Sir, there is no pendency of any refund pertaining to the assessment years 1995-97 under present ITO, Ward 12(1), New Delhi as well as ACIT, Circle 31(1) and ITO, Ward 31(1), New Delhi who are now having territorial jurisdiction over the erstwhile Ward 12(1) of period prior to August 2001.

(b) Does not arise in view of (a) above.

(c) Does not arise in view of (a) above.

Compassionate appointments in banks

†206. SHRI PYARELAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to discontinue permanently the practice of appointment on compassionate grounds in banks;

(b) if so, the details thereof; and

(c) what is Government's view point on such callous behaviour of banks with the wards of those employees who lose their lives while facing dacoity, looting and terrorist attack?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Hon'ble Supreme Court, in the case of Umesh Kumar Nagpal *Vs.* the State of Haryana [JT 1994 (3) SC 525], in 1994 has held that as a rule, appointment in the

† Original notice of the question was received in Hindi.

public services should be made strictly on the basis of open invitation of application and merit. There can, however, be an exception in favour of dependents of an employee dying in harness and leaving his family in penury and without any means of livelihood. The object of granting such appointments is to enable the family of the deceased employee to tide over the sudden crisis. In implementation of norms laid down by the Supreme Court a Model Scheme for payment of *ex-gratia* (lump-sum amount) in lieu of compassionate appointment was circulated by the Indian Banks' Association (IBA) to all the Public Sector Banks (PSBs) on 31.07.2004 advising them to frame their own scheme with approval of their respective boards. The Model Scheme is also applicable to the case of employees dying while performing official duty within or outside the office premises due to dacoity/robbery/terrorist attack.

(c) As regards providing employment to the next of kin of such employees dying in harness due to dacoity/robbery/terrorist attacks, boards of PSBs are authorized under the aforesaid Model Scheme to substitute, amend or vary its conditions, from time to time.

VAT on biscuits

207. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether ketchup, cheese and butter are free from levy of excise duty;

(b) if so, what is the rationale behind imposing VAT and excise on common man's nutrition food like biscuits costing less than Rs. 50.000 per kg; and

(c) whether Government would consider freeing nutritional biscuits of low value from the levy VAT and excise in the larger interests of the people living below poverty line?.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) Yes, Sir.

(b) So far as VAT on biscuits is concerned, taxes on sale or purchase of goods is a State subject. An Empowered Committee of State Finance Ministers has been constituted to take decisions on all matters relating to State level VAT and sales tax related issues. The rates of tax in a VAT regime, classification of goods for taxation etc. are subjects to be decided